

County of Los Angeles - Department of Mental Health CalWORKs Mental Health Supportive Service

FEDERAL WELFARE REFORM

On August 22, 1996, President Clinton signed The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (H.R. 3734). This federal welfare reform legislation eliminated the Aid to Families with Dependent Children (AFDC) program and related programs such as the Job Opportunities and Basic Skills Training (JOBS) program and the Emergency Assistance (EA), and replaced it with the Temporary Assistance for Needy Families (TANF) program.

The Act emphasized the need for individuals to take personal responsibility for their move toward self-sufficiency. The law underscored the importance of work and imposed strict deadlines for most able-bodied individuals to find work within 18-24 months after collecting welfare.

Under the previous AFDC program, the federal government paid a share of each dollar spent by the states on eligible programs, and federal law governed most aspects of the program's structure. In California, the state received one federal dollar for each state and county dollar spent. Under TANF, states must spend a minimum amount of their own funds –the maintenance of effort requirement—in exchange for a fixed block grant of federal TANF funds and increased flexibility with respect to program design.

The federal law made several changes to the nation's welfare system. The most important changes under the TANF program include the following:

- The individual entitlement to a grant is eliminated.
- Federal funding for the program is provided as a block.
- Recipients are subject to a five-year time limit for receipt of federally funded aid.
- States are subject to various penalties for failing to meet specific objectives, including work participation rates.

AFDC was an entitlement, which ensured that all who were eligible received benefits even when the economy faltered and welfare caseloads increased. Federal funding increased proportionately with state's costs. Now, however, the TANF program provides states with a fixed amount of funding that does not increase, even if demand for benefits rises or falls when caseloads decline. As a result, states must carry the full burden of financing any increases in caseloads. But when caseloads fall, states can use the savings generated from lower assistance payments to fund additional services for poor families.

CALIFORNIA WELFARE REFORM

On August 11, 1997, Governor Wilson signed the Welfare to Work Act of 1997 (AB 1542), which established welfare reform in California. The previous program that entitled recipients to aid with few limits, including Aid to Families with Dependent Children (AFDC), was replaced effective January 1, 1998.

California's former AFDC program provided cash aid to needy children and families. Working in conjunction with the AFDC program were programs such as employment and training services under the Greater Avenues for Independence (GAIN) program. Although AFDC was a program that was intended to help children, over time it evolved into a program fostering dependency and a greater focus of cash assistance than the welfare of children.

The program is intended to ensure that welfare is a temporary support in times of crisis, rather than a way of life, to encourage and reward personal responsibility and accountability by recipients, and to foster a "Work First" attitude by strict work requirements. California also provides an extensive range of services to enable participants to obtain and maintain employment, which are well above the federal requirements.

California provides a safety net for children. This means California will continue to support children, even when their parents fail to comply with welfare-to-work requirements and even after the five-year lifetime limit on aid is reached. In sharp contrast, under federal law, states may cut off aid to children under such circumstances.

In 2004, California Senate Bill 1104 (SB 1104) was enacted. This bill made major changes to the Welfare-to-Work (WtW) provisions of the CalWORKs Program. The effective date of the program changes was December 1, 2004.